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June 25, 2001

BY HAND

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, D.C. 20423-0001

ENTERED
Office of the Secretary

JUN 25 2001

Part of
Public Record



Re: STB Finance Docket No. 34000, *Canadian National Railway Company, Grand Trunk Corporation, and WC Merger Sub, Inc.—Control—Wisconsin Central Transportation Corporation, Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, and Wisconsin Chicago Link Ltd.*

Dear Secretary Williams:

Enclosed are the original and 25 copies of RailAmerica, Inc.'s Comments in this proceeding, along with file RailAmerica-Comments on a 3.5-inch floppy diskette formatted in Word '97. Please time and date stamp the extra copy of this letter and the Comment and return it with our messenger. Thank you for your assistance.

Sincerely yours,

Louis E. Gitomer
Attorney for RailAmerica, Inc.

Enclosure

202747

RAAM-2

ENTERED
Office of the Secretary

JUN 25 2001

Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34000

CANADIAN NATIONAL RAILWAY COMPANY, GRAND TRUNK CORPORATION, AND
WC MERGER SUB, INC.—CONTROL—WISCONSIN CENTRAL TRANSPORTATION
CORPORATION, WISCONSIN CENTRAL LTD., FOX VALLEY & WESTERN LTD.,
SAULT STE. MARIE BRIDGE COMPANY, AND WISCONSIN CHICAGO LINK LTD.

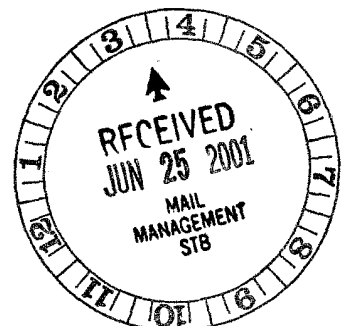
COMMENTS IN SUPPORT OF TRANSACTION

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Attorneys for RailAmerica, Inc.

Dated June 25, 2001



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34000

CANADIAN NATIONAL RAILWAY COMPANY, GRAND TRUNK CORPORATION, AND
WC MERGER SUB, INC.—CONTROL—WISCONSIN CENTRAL TRANSPORTATION
CORPORATION, WISCONSIN CENTRAL LTD., FOX VALLEY & WESTERN LTD.,
SAULT STE. MARIE BRIDGE COMPANY, AND WISCONSIN CHICAGO LINK LTD.

COMMENTS IN SUPPORT OF TRANSACTION

RailAmerica, Inc. ("RailAmerica") on behalf of itself and its North American railroad subsidiaries strongly supports the proposed acquisition of Wisconsin Central Transportation Corporation, Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, and Wisconsin Chicago Link Ltd. (all referred to as "Wisconsin Central"), by the Canadian National Railway Company ("CN") (referred to as the "Control Transaction").

RailAmerica is the world's largest short line and regional railroad operator. It owns 39 railroads operating approximately 11,000 route miles in the United States, Canada, Australia and the Republic of Chile. In North America, RailAmerica's railroads operate in 22 states and six Canadian provinces. Internationally, RailAmerica operates an additional 4,300 route miles under track access arrangements in Australia and Argentina. In October 2000, RailAmerica was ranked 103rd on Forbes magazine's list of the 200 Best Small Companies in America.

RailAmerica's strategy is to grow its existing subsidiaries and to create a diversified international rail transportation company through an aggressive, focused acquisition program. A

major component of this strategy has been, and will continue to be, the acquisition and operation of short line and regional railroads both domestically and internationally.

RailAmerica strongly urges the Surface Transportation Board (the “Board”) to approve the Control Transaction. Under 49 U.S.C. §11324(d):

the Board shall approve such an application unless it finds that--

(1) as a result of the transaction, there is likely to be substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States; and

(2) the anticompetitive effects of the transaction outweigh the public interest in meeting significant transportation needs.

This standard was implemented by the Interstate Commerce Commission (the “ICC”), the Board’s predecessor in *Norfolk & Western Ry. Co.—Pur.—Illinois Term. R. Co.*, 363 I.C.C. 882, 886 (1981); *Southern Railway Company—Purchase—Kentucky & Indiana Terminal Railway Company*, ICC Finance Docket No. 29690 (ICC served December 8, 1981); *Chesapeake and Ohio Railroad Company—Control—Toledo Terminal Railroad Company*, ICC Finance Docket No. 30201 (ICC served October 28, 1983); and *Chesapeake and Ohio Railway Company and CSX Corporation—Control Port Huron and Detroit Railroad Company*, ICC Finance Docket No. 30440 (ICC Served September 19, 1984).

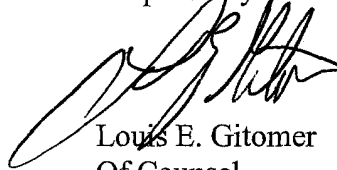
RailAmerica contends that the analyses developed by the ICC in these prior proceedings are appropriate for the Board to use in this proceeding. Under the cited precedent, in order to approve the Control Transaction, the Board must first determine whether any anticompetitive harm will be caused. In RailAmerica’s view, if there is no competitive harm, then that should be the end of the inquiry and CN’s control of Wisconsin Central must be approved. However, RailAmerica understands that if there is competitive harm, then the Board must look to see if

there are public interest benefits that outweigh any competitive harm. CN has stated that there are quantifiable annual public benefits of \$52 million and other unquantified public benefits.

RailAmerica supports the proposed control of Wisconsin Central by CN because, in RailAmerica's view based on the application filed by CN and Wisconsin Central, there does not appear to be any harm to competition that will arise from the proposal. Without competitive harm, RailAmerica asserts that the Board does not even have to reach the issue of whether there are any public benefits and if those benefits outweigh any competitive harm. However, if the Board is compelled to reach the public benefits issue, RailAmerica believes that CN has demonstrated that there are public benefits to the proposed transaction.

In conclusion, RailAmerica respectfully urges the Board to approve the Control Transaction.

Respectfully submitted,



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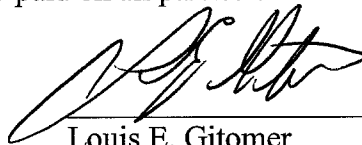
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Attorneys for RailAmerica, Inc.

Dated June 25, 2001

CERTIFICATE OF SERVICE

I hereby certify that on June 25th, 2001, I have caused the foregoing document to be served by first-class mail postage pre-paid on all parties of record to this proceeding.

A handwritten signature in black ink, appearing to read 'Louis E. Gitomer', is written over a horizontal line.

Louis E. Gitomer

June 25, 2001